

FINAL TERMS

Dated 14 August 2017

B.A.T CAPITAL CORPORATION

Issue of £450,000,000 2.125 per cent. Guaranteed Notes due 2025

Guaranteed by

BRITISH AMERICAN TOBACCO p.l.c.

B.A.T. INTERNATIONAL FINANCE p.l.c.

BRITISH AMERICAN TOBACCO HOLDINGS (THE NETHERLANDS) B.V.

B.A.T. NETHERLANDS FINANCE B.V.

and

up to (and including) the Termination Date (as defined in the Deed of Guarantee dated 2 August 2017 and executed by, among others, Reynolds American Inc.) REYNOLDS AMERICAN Inc.

under the £25,000,000,000 Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 31 May 2017 and the supplemental Prospectus dated 8 August 2017 which together constitute a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and the supplemental Prospectus are available for viewing at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html and copies may be obtained from British American Tobacco p.l.c., Globe House, 4 Temple Place, London WC2R 2PG or Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

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|---|------------------|---|
| 1 | (i) Issuer: | B.A.T Capital Corporation |
| | (ii) Guarantors: | British American Tobacco p.l.c.
B.A.T. International Finance p.l.c.
British American Tobacco Holdings (The Netherlands) B.V.
B.A.T. Netherlands Finance B.V. |

		Up to (and including) the Termination Date (as defined in the Deed of Guarantee dated 2 August 2017 and executed by, among others, Reynolds American Inc.) Reynolds American Inc.
2	(i) Series Number:	60
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Pounds Sterling ("£")
4	Aggregate Nominal Amount:	
	(i) Series:	£450,000,000
	(ii) Tranche:	£450,000,000
5	Issue Price of Tranche:	99.419 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Notes in definitive form will be issued with a denomination above £199,000.
	(ii) Calculation Amount:	£1,000
7	(i) Issue Date:	16 August 2017
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	15 August 2025
9	Interest Basis:	Fixed Rate (Further particulars specified below in paragraph 14)
10	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11	Change of Interest:	Not Applicable
12	Put/Call Options:	Issuer Call (Further particulars specified below in paragraph 18)
13	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Senior

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14	Fixed Rate Note Provisions:	Applicable
	(i) Rate of Interest:	2.125 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	15 August in each year, commencing on 15 August 2018, up to and including the Maturity Date. There will be a short first coupon from, and including, the Issue Date to, but excluding, the Interest Payment Date falling on 15 August 2018
	(iii) Fixed Coupon Amount:	£21.25 per Calculation Amount, other than in respect of the short first coupon (as to which see paragraph 14(iv) below)

(iv) Broken Amount:	£21.19 per Calculation Amount payable on the Interest Payment Date falling on 15 August 2018
(v) Day Count Fraction:	Actual/Actual (ICMA)
(vi) Determination Dates:	15 August in each year
15 Floating Rate Note Provisions:	Not Applicable
16 Zero Coupon Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

17 Notice periods for Condition 6(b):	Minimum period: 15 days Maximum period: 30 days
18 Issuer Call:	Applicable
(i) Optional Redemption Date(s):	Any Business Day (as defined in Condition 4) falling in the period from, and including, 15 June 2025 to, but excluding, the Maturity Date
(ii) Optional Redemption Amount(s):	£1,000 per Calculation Amount
(iii) If redeemable in part:	Not Applicable
(iv) Notice periods:	Minimum period: 15 days Maximum period: 30 days
19 Investor Put:	Not Applicable
20 Final Redemption Amount:	£1,000 per Calculation Amount
21 Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or other early redemption:	As set out in Condition 6(e)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22 Form of Notes:	Bearer Notes:
(i) Form:	Global Note exchangeable for Definitive Notes upon an Exchange Event
(ii) New Global Note:	Yes
23 Additional Financial Centre(s):	Not Applicable
24 Talons for future Coupons to be attached to Definitive Notes:	No

Signed on behalf of B.A.T Capital Corporation:

By:
Duly authorised

Signed on behalf of B.A.T. International Finance p.l.c.:

By:
Duly authorised

Signed on behalf of British American Tobacco Holdings (The Netherlands) B.V.:

By:
Duly authorised

By:
Duly authorised

Signed on behalf of B.A.T. Netherlands Finance B.V.:

By:
Duly authorised

By:
Duly authorised

Signed on behalf of British American Tobacco p.l.c.:

By:
Duly authorised

PART B - OTHER INFORMATION

1 LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange plc with effect from 16 August 2017.
- (ii) Estimate of total expenses related to admission to trading: £3,600

2 RATINGS

- Ratings: The Notes to be issued have been rated:
- Moody's: Baa2
- Standard & Poor's: BBB+

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale" in the Base Prospectus dated 31 May 2017, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions, and may perform other services for the Issuer and its affiliates in the ordinary course of business.

4 YIELD

- Indication of yield: 2.205 per cent. per annum

5 OPERATIONAL INFORMATION

- (i) ISIN: XS1664647499
- (ii) Common Code: 166464749
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, SA and the relevant identification number(s): Not Applicable
- (iv) Names and addresses of additional Paying Agent(s) (if any): Not Applicable